

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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FIRST SUPPLEMENTAL AFFIDAVIT OF DOUGLAS P. BARTNER
IN SUPPORT OF APPLICATION FOR ORDER UNDER
11 U.S.C. § 327(e) AND FED. R. BANKR. P. 2014
(I) AUTHORIZING EMPLOYMENT AND RETENTION OF
SHEARMAN & STERLING LLP AS SPECIAL COUNSEL TO
DEBTORS AND (II) SCHEDULING FINAL HEARING THEREON

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Douglas P. Bartner, being duly sworn, deposes and states as follows:

1. I am an attorney admitted to practice law in the State of New York, the State of California, and before the United States District Courts for the Southern and Eastern Districts of New York. I am a member of the law firm of Shearman & Sterling LLP ("Shearman & Sterling"), which maintains its offices at, among other places, 599 Lexington Avenue, New York, New York 10022. I am familiar with the matters set forth herein and make this supplemental affidavit in support of the application (Docket No. 49) (the "Application")¹ filed by Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in these chapter 11 cases (collectively, the "Debtors"), for entry of interim and final

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Application.

orders (a) authorizing the employment and retention of Shearman & Sterling as special counsel to the Debtors, under section 327(e) of title 11 of the United States Code, 11 U.S.C.

§§ 101-1330, as amended (the "Bankruptcy Code") and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), effective as of the Application date, and (b) scheduling a final hearing thereon.

2. On October 8, 2005, the Debtors filed with this Court the Affidavit Of Douglas P. Bartner In Support Of Application For Order Under 11 U.S.C. § 327(e) And Fed. R. Bank. P. 2014 (I) Authorizing Employment And Retention Of Shearman & Sterling LLP As Special Counsel To Debtors And (II) Scheduling Final Hearing Thereon (filed with the Application) (the "Initial Affidavit"). The Initial Affidavit is incorporated herein by reference. In the Initial Affidavit, I stated that supplemental affidavits would be filed upon receipt of new information regarding parties-in-interest in these chapter 11 cases. I submit this first supplemental affidavit (the "First Supplemental Affidavit") in connection with the Initial Affidavit and the Application to provide disclosure required in accordance with Bankruptcy Rule 2014(a).

3. Unless otherwise stated in this First Supplemental Affidavit, I have personal knowledge of the facts set forth hereinafter. To the extent that any information disclosed herein requires further amendment or modification upon Shearman & Sterling's completion of further analysis, or as additional party-in-interest information becomes available, subsequent supplemental affidavits will be submitted to this Court.

4. Except as disclosed otherwise in the Initial Affidavit or hereinafter, neither I, Shearman & Sterling, nor any member, counsel, or associate of Shearman & Sterling, insofar as I have been able to ascertain, (a) represents entities other than the Debtors in connection with the

Debtors' chapter 11 cases, (b) has any connections with the Debtors, their creditors or stockholders, or any other party-in-interest, or (c) holds any interest adverse to the Debtors or their estates with respect to the matters on which Shearman & Sterling is to be retained and employed in these chapter 11 cases.

Supplemental Disclosure

5. Shearman & Sterling has identified the client connections disclosed below.

The connections are categorized as follows: (a) interested parties that Shearman & Sterling currently represents and may represent in the future in matters wholly unrelated to these chapter 11 cases; (b) clients who are or may be affiliates of interested parties, which clients Shearman & Sterling currently represents and may represent in the future in matters wholly unrelated to these chapter 11 cases; and (c) former clients who are either interested parties or affiliates of interested parties, which clients Shearman & Sterling has represented in the past, and may represent in the future, in matters wholly unrelated to these chapter 11 cases.²

6. Shearman & Sterling and members, counsel, and associates of Shearman & Sterling currently represent and may represent in the future, in matters wholly unrelated to these chapter 11 cases, the following interested parties and, in certain cases, their affiliates:

Holders of 5% or More of Any Outstanding Issuance of Notes: Bear, Stearns & Co. Inc.; The Goldman Sachs Group, Inc.;

Lenders: UFJ Bank Limited; Mizuho Corporate Bank Ltd.; National City Corporation; Commerzbank AG; Societe Generale SA New York; and

Top 100 Suppliers by Annual Purchase Value: Rohm Co. Ltd.

² Certain interested parties listed in paragraphs 6 through 8 of this First Supplemental Affidavit may qualify for more than one of the categories set forth in such paragraphs. For example, certain "Top 100 Suppliers by Annual Purchase Value" also may be "Top 50 Creditors." To avoid duplication, I have listed each such interested party in only one such applicable category.

7. In addition, Shearman & Sterling and members, counsel, and associates of Shearman & Sterling currently represent and may represent in the future, in matters wholly unrelated to these chapter 11 cases, clients who are or may be affiliates of the following interested parties:

Counterparties to Contracts with Annual Payments of At Least \$100,000: Nokia Corporation; Nextel West Corp;

Holders of 5% or More of Any of the Debtors' Outstanding Equity Securities: State Street Global Advisors;

Holders of 5% or More of Any Outstanding Issuance of Notes: MSDW Inc.; Pershing Investments LLC;

Insurers: UGI Energy Services;

Lenders: The Hartford Floating Rate Fund; Suntrust Bank Atlanta; Velocity CLO, Ltd.; ING Capital LLC; IDS Life Insurance Company; PIMCO Floating Income Fund; PIMCO High Yield Fund; Putnam Floating Rate Income Fund; Putnam High Yield Advantage Fund; Putnam High Yield Trust; Putnam Variable Trust High Yield Fund; Dryden III Leveraged Loan CDO 2002;

Top 50 Creditors: Merck Medco; National Fire Insurance Company of Hartford; Pioneer INDL Components; and

Top 100 Suppliers by Annual Purchase Value: Toyota Tsusho Corp.; Mitsubishi Electric.

8. Shearman & Sterling and members, counsel, and associates of Shearman & Sterling have represented in the past, and may represent in the future, in matters wholly unrelated to these chapter 11 cases, the following interested parties or affiliates thereof:

Counterparties to Contracts with Annual Payments of At Least \$100,000: UBE Industries Ltd.; UBE Industries (America) Inc.; Toshiba Corporation; UGC; MMT SA; MCI Worldcom Communications, Inc.; North American Philips Corporation; Intel Corporation; IBM Corporation; JSP America, Inc.;

Holders of 5% or More of Any Outstanding Issuance of Notes: Mellon Financial Corp.; Investors Financial Services Corp.;

Indenture Trustees: First National Bank of Chicago;

Insurers: Coral Energy Resources, L.P.; Columbia Gas of Ohio; Columbia Gas Transmission;

Lenders: The Foothill Group Incorporated; TCW Select Loan Fund, Limited; TCW Senior Secured Loan Fund LP; Octagon Investment Partners IV, Ltd.; Investors Bank and Trust Co.; Principal Life Insurance Company; PNC Bank, N.A.; Pinewood Credit Markets Master Fund; Q Funding III LP; Desjardins Financial Security Life; C-Squared CDO Ltd.; KKR Financial CLO 2005-1, Ltd.;

Parties to Litigation and Their Counsel: Stites & Harbison, PLLC;

Professionals: McCarthy Tetrault LLP; Hunton & Williams LLP;

Top 50 Creditors: TDK Corporation of America; United Auto Workers; Delta Air Lines, Inc.;

Top 100 Customers by Annual Purchase Value: Perkins Engines Company Ltd.;

Top 100 Suppliers by Annual Purchase Value: TPG Advisors Inc.; Noranda Aluminum, Inc.; and

Underwriters of Securities Issued by the Company During Past Three Years: Oppenheimer & Co., Inc.

Shearman & Sterling's representation of these parties terminated prior to the commencement of these chapter 11 cases.

9. To the best of my knowledge and information, the annual fees for each of the entities listed in paragraphs 6 through 8 did not exceed 1% of Shearman & Sterling's annual gross revenue in 2004 and there have been no material changes to date for 2005.

10. The Debtors collectively have hundreds of suppliers, vendors, landlords, service providers, employees, creditors, and other interested parties in these cases. Shearman & Sterling is continuing and will continue to review potential conflicts. If Shearman & Sterling learns that it has a relationship with, or has represented, a party-in-interest in these cases, I will file another supplemental affidavit immediately and promptly notify this Court and the Office of the United States Trustee.

11. I submit that none of the representations described in paragraphs 6 through 8 has resulted or will result in an interest of Shearman & Sterling adverse to the Debtors or their estates with respect to the matters on which Shearman & Sterling is to be employed, and that Shearman & Sterling is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code.

I have read this First Supplemental Affidavit, and, to the best of my knowledge, information, and belief, the contents of this First Supplemental Affidavit are true and correct.

FURTHER AFFIANT SAYETH NOT.

/s/ Douglas P. Bartner
Douglas P. Bartner

Sworn to before me
this 2nd day of November, 2005

/s/ Nicholas W. Pullen
Notary Public, State of New York
No. 01PU6130499
Qualified in New York County
Commission Expires July 18, 2009